

Message Text

CONFIDENTIAL

PAGE 01 PORT A 02143 021352Z

40

ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 EB-03 INR-05

CIAE-00 PRS-01 L-01 SP-02 RSC-01 /039 W

----- 087836

R 021310Z NOV 74

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 8796

C O N F I D E N T I A L PORT AU PRINCE 2143

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, PINT, HA

SUBJ: FLURRIES IN EXCHANGE MARKETS

1. RUMORS IN PAST SEVERAL WEEKS THAT GOH PLANNED CUT LINK BETWEEN GOURDE AND DOLLAR AND PROHIBIT DOLLAR HOLDING IN HAITI AS WELL AS CIRCULATION US CURRENCY CAUSED CONSIDERABLE CONCERN IN PORT AU PRINCE AND RESULTED IN A DROP IN RECEIPT OF DOLLARS BY NATIONAL BANK FROM A MONTHLY AVERAGE OF \$2 MILLION TO \$600,000. AN ANNOUNCEMENT STATING THERE WAS NO INTENTION OF CUTTING THE DOLLAR/GOURDE LINK AND POINTING OUT IMPOSSIBILITY OF SUCH ACTION UNDER ARRANGEMENTS WITH IMF WAS FINALLY ISSUED BY GOH AND IT IS HOPED THIS WILL BE SUFFICIENT TO QUIET THE GENERAL UNEASINESS AND RETURN RECEIPTS TO CUSTOMARY LEVEL.

2. ACCORDING TO NATIONAL BANK DIRECTOR ANTONIO ANDRE, A DRAFT LAW WHICH WOULD DECOUPLE THE GOURDE FROM THE DOLLAR AND PENALIZE ANY HAITIANS HOLDING DOLLARS AFTER A SIXTY-DAY GRACE PERIOD ACTUALLY WAS UNDER CONSIDERATION. ANDRE STATED THE DRAFT HAD BEEN PREPARED BY SECRETARY OF COMMERCE AND INDUSTRY SERGE FOURCAND AND DIRECTOR OF THE AGRICULTURAL AND INDUSTRIAL DEVELOPMENT INSTITUTE, EDRISS VINCENT, AND THAT HE (ANDRE) HAD BEEN DELIBERATELY KEPT IGNORANT OF THE PROJECT BY ORDER OF THE PRESIDENT. AFTER LEARNING OF PROJECT FROM FINANCE SECRETARY BROS, ANDRE HASTENED TO PRESIDENT AND MANAGED TO BLOCK SCHEME BY EMPHASIZING ITS DESTABILIZING NATURE, ITS INCONSISTENCY WITH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT A 02143 021352Z

HAITI'S OBLIGATIONS TO IMF, AND ITS EFFECT ON HAITIAN RESERVES,

NOTING THAT CAPITAL WAS ALREADY LEAVING THE COUNTRY.

3. COMMENT: AS THE SERIOUSNESS OF HAITI'S BALANCE OF PAYMENTS SITUATION BECOMES MORE EVIDENT, THERE ARE LIKELY TO BE MORE ILL-ADVISED PROPOSALS FLOATING AROUND THE GOVERNMENT, AND ANDRE, AS IN PAST, WILL PROBABLY BE SINGLE OFFICIAL SELF-CONFIDENT ENOUGH TO FIGHT THEIR ENACTMENT. FOURCAND, FOR EXAMPLE, IS SOMETIMES INCLINED TAKE EASY ROUTE, I.E., GO ALONG WITH ANYTHING SUGGESTED IN HOPES SOMETHING OR SOMEONE ELSE WILL STOP ANY REALLY DISASTROUS PROPOSALS. EMBASSY WILL CONTINUE CLOSE LIAISON WITH IMF REP AND HAITIAN OFFICIALS SUCH AS ANDRE IN ENDEAVOR PERSUADE GOH TAKE SOUNDER, ALBEIT LESS ATTRACTIVE, PATH OF FISCAL RESPONSIBILITY TO SOLVE B/P PROBLEMS.

ISHAM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FOREIGN EXCHANGE HOLDINGS, GOURDE
Control Number: n/a
Copy: SINGLE
Draft Date: 02 NOV 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PORTA02143
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740314-0724
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741176/aaaacmyv.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 SEP 2002 by boyleja>; APPROVED <21 MAR 2003 by SmithRJ>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FLURRIES IN EXCHANGE MARKETS
TAGS: EFIN, PINT, HA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005